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TOWN OF JEAN LAFITTE, LOUISIANA

FINANCIAL REPORT

For the Year Ended
June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/17/01

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FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Timothy Kerner, Mayor and
Members of the Council
Town of Jean Lafitte, Louisiana

We have audited the accompanying general-purpose financial statements of the **Town of Jean Lafitte**, Louisiana as of and for the year ended June 30, 2000 as listed in the table of contents. These general-purpose financial statements are the responsibility of the **Town of Jean Lafitte's** management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the **Town of Jean Lafitte**, Louisiana, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2000 on our consideration of the **Town of Jean Lafitte's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the **Town of Jean Lafitte**, Louisiana, taken as a whole. The supplemental information schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the **Town of Jean Lafitte**, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Reboue & Company

September 15, 2000

GENERAL-PURPOSE FINANCIAL STATEMENTS

TOWN OF JEAN LAFITTE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
June 30, 2000

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP		
	GENERAL	GENERAL FIXED ASSETS	LONG-TERM DEBT	TOTAL (MEMORANDUM (ONLY))
ASSETS AND OTHER DEBITS				
Cash	\$ 63,071	\$ -	\$ -	\$ 63,071
Investments	252,860	-	-	252,860
Receivables				
Sales taxes	18,387	-	-	18,387
Intergovernmental	74,426	-	-	74,426
Franchise fees	5,412	-	-	5,412
Miscellaneous	3,709	-	-	3,709
Prepaid items	37,541	-	-	37,541
Property, plant and equipment	-	3,964,289	-	3,964,289
Amount to be provided for retirement of general long-term debt	-	-	6,573	6,573
TOTAL ASSETS AND OTHER DEBITS	\$ 455,406	\$ 3,964,289	\$ 6,573	\$ 4,426,268
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 24,613	\$ -	\$ -	\$ 24,613
Deferred revenue	1,585	-	-	1,585
Accrued interest	1,013	-	-	1,013
Current capital lease obligation	6,086	-	-	6,086
Long-term capital lease obligation	-	-	6,573	6,573
TOTAL LIABILITIES	33,297	-	6,573	39,870
Equity and other credits				
Investment in general fixed assets	-	3,964,289	-	3,964,289
Fund balances				
Reserved for prepaid items	37,541	-	-	37,541
Unreserved and undesignated	384,568	-	-	384,568
TOTAL EQUITY AND OTHER CREDITS	422,109	3,964,289	-	4,386,398
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 455,406	\$ 3,964,289	\$ 6,573	\$ 4,426,268

See accompanying notes to financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND
For the Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPE
	<u>GENERAL</u>
REVENUES	
Taxes	\$ 166,789
Licenses and permits	51,440
Rental income	31,916
Fines and forfeitures	5,616
Intergovernmental	514,584
Gambling fees and commissions	281,944
Other	<u>188,440</u>
TOTAL REVENUES	<u>1,240,729</u>
OTHER FINANCING SOURCES	
Capitalized Lease	<u>19,758</u>
TOTAL OTHER FINANCING SOURCES	<u>19,758</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,260,487</u>
EXPENDITURES	
Current	
General government	595,439
Capital outlay	<u>879,526</u>
TOTAL EXPENDITURES	<u>1,474,965</u>
EXCESS OF EXPENDITURES OVER REVENUES	(214,478)
FUND BALANCE, beginning of year	<u>636,587</u>
FUND BALANCE, end of year	<u>\$ 422,109</u>

See accompanying notes to financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 166,789	\$ 153,100	\$ 13,689
Licenses and permits	51,440	41,800	9,640
Rental income	31,916	28,500	3,416
Fines and forfeitures	5,616	6,500	(884)
Intergovernmental	514,584	467,200	47,384
Gambling fees and commissions	281,944	270,000	11,944
Other	<u>188,440</u>	<u>181,400</u>	<u>7,040</u>
TOTAL REVENUES	<u>1,240,729</u>	<u>1,148,500</u>	<u>92,229</u>
OTHER FINANCING SOURCES			
Capitalized Lease	<u>19,758</u>	<u>-</u>	<u>19,758</u>
TOTAL OTHER FINANCING SOURCES	<u>19,758</u>	<u>-</u>	<u>19,758</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,260,487</u>	<u>1,148,500</u>	<u>111,987</u>
EXPENDITURES			
Current			
General government	595,439	583,170	(12,269)
Capital outlay	<u>879,526</u>	<u>822,074</u>	<u>(57,452)</u>
TOTAL EXPENDITURES	<u>1,474,965</u>	<u>1,405,244</u>	<u>(69,721)</u>
EXCESS OF EXPENDITURES OVER REVENUES	(214,478)	(256,744)	42,266
FUND BALANCE, beginning of year	<u>636,587</u>	<u>636,587</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 422,109</u>	<u>\$ 379,843</u>	<u>\$ 42,266</u>

See accompanying notes to financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Jean Lafitte, Louisiana (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

1. Financial Reporting Entity

The Town of Jean Lafitte was incorporated in 1974 under the provisions of the Lawrason Act. The Town is governed by a Mayor, Council form of government (R.S. 33:321-481).

The Town's major operations include public safety, recreation, and general administrative services. The accompanying financial statements include all government activities, organizations, and functions for which the Town is financially accountable.

2. Fund Accounting

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The funds of the Town are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all of the Town's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Taxes and fees collected and held by intermediary collecting governments at year end on behalf of the Town are recognized as revenue. Other revenues susceptible to accrual are intergovernmental revenues and franchise fees. Fines, forfeitures, rentals, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

4. Budgets

Formal budgetary accounting is employed as a management control device during the year for the General Fund.

The level of budgetary control is at the line-item level. Expenditures may not exceed appropriations until additional appropriations are provided. Appropriations which are not expended lapse at the end of each fiscal year.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Budgetary comparisons presented in the accompanying financial statements are on a GAAP basis.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and Investments

For reporting purposes, cash includes demand deposits.

Louisiana revised statutes (LSA - R.S. 33:2955) authorize the Town to invest in (1) United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investment, or (2) mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 31.

6. Receivables

All receivables were considered fully collectible at year end, therefore, no allowance has been provided.

7. Inventories

The costs of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2000 would not be material to the financial statements.

8. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items. These amounts will be expended as their benefit expires.

9. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Fixed Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated.

10. Compensated Absences

Annual and sick leave is expended when claimed by the employees rather than when earned. Employees may not carry over or accumulate annual or sick leave. Employees are required to use their annual leave during the year following his/her anniversary date of employment. In the opinion of the Administration, the liability due at June 30, 2000 would not be material to the financial statements.

11. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

12. Total Columns on Combined Statements

Total columns on the general-purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

The procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted through an ordinance adopted by the Council.
- d. Any revisions that alter the total expenditures of the General Fund or line item changes within the General Fund must be approved by the Council.

Budgeted amounts are as originally adopted or as finally amended by resolutions or motions of the Council through June 30, 2000.

2. Expenditures in Excess of Revenues

Certain general fund revenues were less than and certain expenditures exceeded their line item budgets. These variances were not considered material and have been approved through motions by the Council. During the year, the Council amended the budget to reflect less revenue from state grants for the construction of a Senior Citizens Center. The funds needed for this construction were budgeted from fund balance. The Town budgeted a deficit in fiscal 2000 primarily due to capital outlay expenditures greater than budgeted revenues. The deficit was budgeted to be paid from the accumulated fund balance.

NOTE C - CASH AND INVESTMENTS

At June 30, 2000, the carrying amount of the Town's cash deposits was \$63,071 and the bank balance was \$96,110 all of which was covered by Federal depository insurance or by collateral consisting of securities held by the Town's agent in its name.

Investments held at June 30, 2000 consist of \$252,860 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (See Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE C - CASH AND INVESTMENTS (CONTINUED)

June 30, 2000 is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The investments in LAMP are stated at fair value based on quoted market rates. Fair value is determined on a weekly basis.

Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares.

NOTE D - FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the year ended June 30, 2000:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u> <u>and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2000</u>
Land	\$ 366,315	\$ 81,174	\$ -	\$ 447,489
Buildings and improvements	1,815,562	843,931	-	2,659,493
Furniture, fixtures and equipment	422,575	42,885	228,314	237,146
Vehicles and heavy equipment	<u>600,403</u>	<u>19,758</u>	<u>-</u>	<u>620,161</u>
Total general fixed assets	<u>\$ 3,204,855</u>	<u>\$ 987,748</u>	<u>\$ 228,314</u>	<u>\$ 3,964,289</u>

NOTE E - SALES TAX

For the year ended June 30, 2000, the total sales tax levied on purchases within the Town limits was 8 3/4%. Of this amount, the State levies 4%, the Jefferson Parish Public School System levies 1 1/2%, the Jefferson Parish Sheriff's Office levies 1/4%, and the Parish of Jefferson levies the remaining 3%. Sales taxes, except sales tax on motor vehicles which is collected by the State,

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE E - SALES TAX (CONTINUED)

are collected by the Sheriff of Jefferson Parish, who receives a commission of 11% of the amount collected.

Of the 3% levied by the Parish, 1/2% is remitted to the Jefferson Parish Public School System, 1% is remitted to the Parish for sewer capital and law enforcement, 1/6% is remitted to the Parish for drainage purposes, and the balance (1 1/3%) is remitted to the Town (as an incorporated municipality).

The 1/4% levied by the Sheriff's Office is remitted directly to the Town for law enforcement and is recognized in the General Fund.

NOTE F - CAPITAL LEASE

The Town is obligated under a capital lease for a 1999 automobile. The leased automobile and related obligation are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The lease requires three equal annual payments of \$7,099 beginning in 2000 through the year ending June 30, 2002.

The following is a schedule of future minimum lease payments as of June 30, 2000.

Year Ended <u>June 30,</u>	<u>Amount</u>
2001	\$ 7,099
2002	<u>7,099</u>
Minimum lease payments	14,198
Less: amount representing interest	<u>(1,539)</u>
Present value of minimum lease payments	<u>\$ 12,659</u>

NOTE G - RESERVATIONS OF FUND BALANCE

Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available, spendable resource of the General Fund even though it is a component of current assets.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2000

NOTE H - EMPLOYEE BENEFIT PLAN

In 1996, the Town adopted a retirement plan with elective 401(k) provisions covering substantially all of its employees. An independent party has been selected to administer and act as trustee for the plan. The plan is a defined contribution plan, with all contribution amounts (if any) determined by the Council. Contributions to the plan totaled \$9,763 for the year ended June 30, 2000. Plan assets are owned by the participants and are not included in the financial statements of the Town.

NOTE I - CONTINGENT LIABILITIES

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

Litigation

The Town is a defendant in various lawsuits and its Attorney has reviewed the claims in order to evaluate the likelihood of an unfavorable outcome to the Town and to arrive at an estimate, if any, of the amount or range of potential losses to the Town. As a result of such review, claims have been categorized into "probable," "reasonably possible," and "remote" contingencies, as defined in National Council on Governmental Accounting Statement 4 for Claims and Judgments. No loss contingencies have been categorized as "probable" thus no accrual has been recorded.

SUPPLEMENTAL INFORMATION

TOWN OF JEAN LAFITTE, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TAXES			
Sales	\$ 96,866	\$ 85,000	\$ 11,866
Sales - law enforcement	18,000	18,000	-
Beer	4,701	5,000	(299)
Tobacco	9,533	7,500	2,053
Franchise			
Entergy	21,001	22,000	(999)
Cox Communications	14,777	14,000	777
Louisiana Gas	1,891	1,600	291
TOTAL TAXES	<u>166,789</u>	<u>153,100</u>	<u>13,689</u>
LICENSES AND PERMITS			
Insurance license fee	15,381	9,500	5,881
Occupational license	15,895	15,000	895
Building permit	8,646	8,000	646
Alcoholic beverage	1,682	3,300	(1,618)
Plumbing inspection	6,293	4,000	2,293
Electrical inspection	3,543	2,000	1,543
TOTAL LICENSES AND PERMITS	<u>51,440</u>	<u>41,800</u>	<u>9,640</u>
RENTAL INCOME			
Town Hall (ambulance)	12,000	12,000	-
Civic Center	10,378	9,000	1,378
Auditorium	9,538	7,500	2,038
TOTAL RENTAL INCOME	<u>31,916</u>	<u>28,500</u>	<u>3,416</u>
FINES AND FORFEITURES			
Traffic violations and court costs	<u>5,616</u>	<u>6,500</u>	<u>(884)</u>
TOTAL FINES AND FORFEITURES	<u>5,616</u>	<u>6,500</u>	<u>(884)</u>
INTERGOVERNMENTAL			
State Grants	333,144	280,000	53,144
Parish transportation funds	50,000	58,000	(8,000)
Parish grants	129,510	123,000	6,510
DARE reimbursement	1,930	6,200	(4,270)
TOTAL INTERGOVERNMENTAL	<u>514,584</u>	<u>467,200</u>	<u>47,384</u>
GAMBLING FEES AND COMMISSIONS			
Riverboat gambling fees	<u>281,944</u>	<u>270,000</u>	<u>11,944</u>
TOTAL GAMBLING FEES AND COMMISSIONS	<u>281,944</u>	<u>270,000</u>	<u>11,944</u>
OTHER REVENUES			
Seafood festival	112,716	110,000	2,716
Miscellaneous	19,673	20,000	(327)
Special events	31,644	31,700	(56)
Interest income	18,897	17,000	1,897
Scholarship fund	5,510	-	5,510
Donations	-	2,700	(2,700)
TOTAL OTHER REVENUES	<u>188,440</u>	<u>181,400</u>	<u>7,040</u>
TOTAL RENTAL INCOME	<u>1,240,729</u>	<u>1,148,500</u>	<u>92,229</u>
OTHER FINANCING SOURCES			
Capitalized lease	<u>19,758</u>	<u>-</u>	<u>19,758</u>
TOTAL OTHER FINANCING SOURCES	<u>19,758</u>	<u>-</u>	<u>19,758</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,260,487</u>	<u>\$ 1,148,500</u>	<u>\$ 111,987</u>

TOWN OF JEAN LAFITTE, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
GENERAL GOVERNMENT			
PERSONNEL AND RELATED COSTS			
Salaries	\$ 162,393	\$ 192,500	\$ 30,107
Taxes - Payroll	12,404	13,770	1,366
Retirement	9,763	8,900	(863)
Insurance - workman's compensation	9,503	-	(9,503)
Insurance - unemployment	414	-	(414)
TOTAL PERSONNEL AND RELATED COSTS	<u>194,477</u>	<u>215,170</u>	<u>20,693</u>
PROFESSIONAL AND LEGAL			
Legal - magistrate	7,844	10,000	2,156
Accounting and auditing	<u>13,822</u>	<u>12,000</u>	<u>(1,822)</u>
TOTAL PROFESSIONAL AND LEGAL	<u>21,666</u>	<u>22,000</u>	<u>334</u>
OFFICE AND ADMINISTRATIVE COSTS			
Utilities	41,884	36,000	(5,884)
Office expense	8,937	10,000	1,063
Telephone	7,579	6,500	(1,079)
Janitorial	5,090	4,500	(590)
Official journal	2,183	2,000	(183)
Court cost	79	200	121
Dues and subscriptions	<u>664</u>	<u>800</u>	<u>136</u>
TOTAL OFFICE AND ADMINISTRATIVE COSTS	<u>66,416</u>	<u>60,000</u>	<u>(6,416)</u>
MAINTENANCE AND SUPPLIES			
Road maintenance and supplies	37,184	30,000	(7,184)
Repairs and maintenance	31,716	30,000	(1,716)
Police supplies and materials	7,652	7,000	(652)
Casual labor	21,364	22,000	636
Auto and truck	<u>4,726</u>	<u>3,800</u>	<u>(926)</u>
TOTAL MAINTENANCE AND SUPPLIES	<u>102,642</u>	<u>92,800</u>	<u>(9,842)</u>
INSURANCE			
Insurance - medical	30,383	31,000	617
Insurance - auto and truck	14,215	14,000	(215)
Insurance - liability	14,000	14,000	-
Insurance - building	<u>5,400</u>	<u>6,000</u>	<u>600</u>
TOTAL INSURANCE	<u>63,998</u>	<u>65,000</u>	<u>1,002</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER			
Convention and out of state travel	\$ 16,004	\$ 17,000	\$ 996
Travel	2,840	2,400	(440)
Miscellaneous	4,018	1,200	(2,818)
Capital lease expense	13,185	-	(13,185)
Interest expense	1,013	-	(1,013)
Scholarship fund	4,820	4,900	80
Seafood festival	66,080	66,100	20
Special events	36,126	35,600	(526)
Tourism	2,154	1,000	(1,154)
TOTAL OTHER	<u>146,240</u>	<u>128,200</u>	<u>(18,040)</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 595,439</u>	<u>\$ 583,170</u>	<u>\$ (12,269)</u>
CAPITAL OUTLAY			
Buildings, improvements and equipment	\$ 749,623	\$ 723,574	\$ (26,049)
Streets and sidewalks	<u>129,903</u>	<u>98,500</u>	<u>(31,403)</u>
TOTAL CAPITAL OUTLAY	<u>\$ 879,526</u>	<u>\$ 822,074</u>	<u>\$ (57,452)</u>
TOTAL EXPENDITURES	<u>\$ 1,474,965</u>	<u>\$ 1,405,244</u>	<u>\$ (69,721)</u>

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF COUNCIL'S PER DIEM
For the Year Ended June 30, 2000

	Number of Special <u>Meetings</u>	Number of Regular <u>Meetings</u>	<u>Amount</u>
Elaine Badeaux	1	12	\$ 2,425
Shirley Guille	1	12	2,425
Leo Kerner, Jr.	1	12	2,425
Calvin LeBeau	1	12	2,425
Verna Smith	1	12	<u>2,425</u>
 TOTAL			 <u>\$ 12,125</u>

COMPLIANCE SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Timothy Kerner, Mayor and
Members of the Council
Town of Jean Lafitte, Louisiana

We have audited the general-purpose financial statements of the **Town of Jean Lafitte** as of and for the year ended June 30, 2000, and have issued our report thereon dated September 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **Town of Jean Lafitte's** general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Town of Jean Lafitte's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we

consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the **Town of Jean Lafitte** in a separate letter dated September 15, 2000.

This report is intended solely for the information of management and the Louisiana Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties.

Rebowe & Company

September 15, 2000

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MEMORANDUM OF ADVISORY COMMENTS

TOWN OF JEAN LAFITTE, LOUISIANA

For the Year Ended June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: _____

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The Honorable Timothy Kerner, Mayor, and
Members of the Council
Town of Jean Lafitte, Louisiana

We have audited the general-purpose financial statements of the **Town of Jean Lafitte, Louisiana**, (the "Town") as of and for the year ended June 30, 2000 have issued our report thereon dated September 15, 2000. As part of our audit we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting.

However, during our audit we became aware of several matters that are opportunities for strengthening the Town's internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. Our consideration of the internal control over financial reporting has been reported on in a separately issued report entitled *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated September 15, 2000.

We have already discussed many of these comments and recommendations with you and have included your response. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

Rebowe & Company

September 15, 2000

**TOWN OF JEAN LAFITTE
MEMORANDUM OF ADVISORY COMMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

COMMENT 2000-1

As in prior years, there appears to be an inadequate segregation of duties within the accounting function.

Due to the limited number of personnel, the Town Clerk has most of the responsibilities relating to the cash receipts and disbursement cycles. The Town does, however, have various controls in place which mitigates this problem. Included in these mitigating controls are (1) an outside Certified Public Accountant prepares the bank reconciliations, (2) all checks require a dual signature, (3) actual versus budget comparisons are made monthly by the Mayor on all revenue and expenditure line items, (4) the use and reconciliation of prenumbered receipts, and (5) the Town has assigned various accounting responsibilities to another employee. Based upon these mitigating controls, we do not consider this to be a reportable condition.

RECOMMENDATION

The Town should continue to be aware of the potential problems caused by an inadequate segregation of duties and should be cognizant of the importance of the mitigating controls.

CORRECTIVE ACTION PLAN

We are aware of the situation and will continue to perform procedures necessary to mitigate the potential problem. Contact: Mayor Tim Kerner, (504) 689-2208

COMMENT 2000-2

In June 1999, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 34 "Basic Financial Statements" effective for the year beginning July 1, 2003. GASB Statement No. 34 establishes new financial reporting requirements for the Town as well as other state and local governments.

The most significant changes will be that: the Town will report financial information for all governmental fund type accounting utilizing the full accrual method of accounting as opposed to the modified accrual method currently used; the Town will be required to record and depreciate all capital assets, and to eliminate both the General Fixed Assets Accounting Group and the General Long-Term Debt Accounting Group; the Town will present dual financial statements with presentation of both "Government-wide Financial Statements" and the traditional "Fund Financial Statements".

**TOWN OF JEAN LAFITTE
FINDINGS AND RECOMMENDATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

In preparation for GASB Statement No. 34, the Town of Jean Lafitte will need to invest extensive man-hours prior to its implementation. Specifically, the Town will need to:

1. Conduct an extensive inventory of infrastructure. A book value and asset life will need to be determined for all assets and each asset will be depreciated over its remaining life. The Town should also reevaluate its capitalization threshold (currently at \$200) and consider raising its level of capitalization for reporting purposes.
2. A Management's Discussion and Analysis ("MD&A") section will need to be reported as "required supplementary information" in the financial statements (this is in addition to the Letter of Transmittal) outlining the following:
 - A brief description of the financial statements.
 - Condensed financial position with comparative information derived from the government wide financial information.
 - Analysis of balances and transactions of major individual funds.
 - Analysis of significant variations between original and final budget amounts.
 - Description of significant capital assets and long term debt activity.
 - Description of currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations.

RECOMMENDATION

The Town of Jean Lafitte should begin to formulate a plan of action designed to efficiently implement GASB Statement Number 34.

CORRECTIVE ACTION PLAN

The Town of Jean Lafitte has begun to formulate a plan of action for implementing GASB Statement Number 34 and should complete this plan by the end of fiscal year ending June 30, 2001. The Town is planning to implement GASB Statement Number 34 within the required timeframe. Contact: Mayor Tim Kerner, (504) 689-2208.